

Agenda Date: May 25, 2023
Item Number: B5

Docket: TG-230256
Company: Rabanco Ltd. d/b/a Tri-County Disposal

Staff: Ben Sharbono, Regulatory Services
John Cupp, Consumer Protection

Recommendation

Issue an order, allowing tariff pages filed by Rabanco Ltd., d/b/a Tri-County Disposal; Republic Services on April 13, 2023, in Docket TG-230256 to become effective April 1, 2023, by operation of law, and requiring the Company one year from now to file invoices of actual fuel costs for the previous 12 months and documentation that the Company has sought competitive bids from multiple fuel vendors.

Background

On March 17, 2023, Rabanco Ltd. d/b/a Tri-County Disposal (Rabanco or Company) filed with the Washington Utilities and Transportation Commission (Commission) tariff revisions that would generate approximately \$534,000 (22.1 percent) in additional annual revenue. The Company provides regulated solid waste collection service to approximately 4,850 garbage customers in Klickitat County. The Company's last general rate increase became effective on April 1, 2022.

The primary drivers of the request are increases in operating expenses, including employee wages and benefits, fuel, maintenance costs and capital investment since the last general rate case.

As in recent Rabanco general rate case dockets for its other operations, the Company included an adjustment in this filing for increased fuel expense based on a third-party fuel provider's forecast of the costs of compliance with the Climate Commitment Act (CCA). In the prior dockets, the Commission determined that allowing the costs would be permissible but issued an order requiring the Company submit invoices for actual fuel costs and documentation of shopping for competitive bidding 12 months after the effective date of the Order.¹

Commission staff (Staff) revised paid-time-off accruals and removed bonus accruals. Staff also revised the fuel expense to reflect the most recent 12-month period as required by WAC 480-70-346. The net effect of these adjustments was a net increase in the Company's revenue requirement.

After completing its review, Staff found the Company's request for \$534,000 was understated. Staff and the Company agreed to a revised additional annual revenue amount of approximately \$538,500 (22.3 percent).

¹ Order 01 in Dockets TG-230103 and TG-230190

Rate Comparison

The tables below show the current, Company-proposed, and Staff-revised rates, for the most common services. The full list of rates is included in the Company's tariff.

Most Common Residential Line of Service	Current Rate	Proposed Rate	Revised Rate	Difference	
1 Can Weekly	\$15.44	\$18.53	\$18.55	\$3.11	20.2%

Most Common Commercial Line of Service	Current Rate	Proposed Rate	Revised Rate	Difference	
3-Yard Container	\$34.19	\$41.02	\$41.09	\$6.90	20.2%

Comment Summary

On April 27, 2023, the Company notified its customers by mail of the proposed rate increase. Staff received 13 consumer comments regarding the proposed rate increase, all opposed.

General Comments

Most commenters feel the requested increase amount is excessive. Several customers expressed frustration over missed pickups.

Staff Response

State law requires rates to be fair, just, reasonable, and sufficient to allow the Company to recover reasonable operating expenses and the opportunity to earn a reasonable return on its investment. Commission Staff perform a thorough review of rate filings to ensure that all rates and fees are appropriate.

Staff asked the Company if there were events other than weather in the recent past that may have caused a high number of missed pickups. The Company shared that almost all missed pickups are weather related, however an occasional equipment failure or staffing issue could occasionally interfere with completing routes. In January 2022, the Company's month with the most missed pickups, the Company missed less than 1 percent of its total pickups.

Staff informed customers how to contact Consumer Protection if they are unable to resolve service issues with the Company.

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